



**Consolidated Financial Results for the Three Months Ended June 30, 2011 (Japan GAAP)**  
**( Fiscal year ending March 31, 2012)**

**Company name: DIC Corporation**

Listing Code number: 4631

URL: <http://www.dic-global.com/en/>

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Preparation of Supplemental Explanatory Materials: Yes

Holding of Quarterly Financial Results Meeting: No

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**1. Consolidated Financial Results for the Three Months Ended June 30, 2011 (From April 1, 2011 to June 30, 2011)**

Note: Yen amounts are rounded to the nearest million, except for per share information.

**(1) Consolidated operating results**

	Net sales		Operating income		Ordinary income		Net income	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%
Three months ended June 30, 2011	191,504	-2.7	10,344	1.3	8,922	-3.7	8,497	41.0
Three months ended June 30, 2010	196,806	15.0	10,214	384.8	9,262	—	6,028	—

Note: Comprehensive income (JPY million): Three months ended June 30, 2011 15,418 (113.7%), Three months ended June 30, 2010 7,215 (— %)

	Earnings per share basic		Earnings per share diluted	
	JPY	JPY	JPY	JPY
Three months ended June 30, 2011	9.26	—	—	—
Three months ended June 30, 2010	7.26	—	—	—

Note: The percentages of changes represent rate of increases or decreases from the results of the corresponding period of the previous fiscal year.

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio to total assets
	JPY (million)	JPY (million)	%
As of June 30, 2011	741,422	143,398	16.3
As of March 31, 2011	703,760	130,379	15.3

Note: Shareholders' equity (JPY million): As of June 30, 2011 120,718, As of March 31, 2011 107,748

**2. Cash dividends**

(Record date)	Cash dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
	JPY	JPY	JPY	JPY	JPY
FY2010	—	2.00	—	2.00	4.00
FY2011	—	—	—	—	—
FY2011 (Plan)	—	2.00	—	2.00	4.00

Note: Revision of the forecast for the dividends payment: No

**3. Forecast for Consolidated Operating Results for the Fiscal Year Ending March 31, 2012 (From April 1, 2011 to March 31, 2012)**

	Net sales		Operating income		Ordinary income		Net income		Earnings per share basic	
	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY (million)	%	JPY	JPY
FY2011 First-half	380,000	-3.3	20,000	-3.9	16,000	-15.5	12,000	-1.9	13.08	—
FY2011	760,000	-2.4	43,000	15.7	35,000	10.4	18,000	14.2	19.62	—

Note: Revision of the forecast for the consolidated operating results for the fiscal year ending March 31, 2012: Yes

#### **4. Others**

- (1) Changes in the scope of consolidation for significant subsidiaries during the three months ended June 30, 2011 : No
- (2) Adoption of accounting methods which are exceptional for quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies and accounting estimates, and restatements
- |   |    |
|---|----|
| 1) Changes in accounting policies arising from revision of accounting standards : | No |
| 2) Changes in accounting policies other than 1) :                                 | No |
| 3) Changes in accounting estimates :  | No |
| 4) Restatements :   | No |
- (4) Number of common stocks
- |  |                     |  |                    |
|--|---------------------|--|--------------------|
| 1) Number of common stocks issued at the end of period, including treasury stocks  |                     |  |                    |
| As of June 30, 2011  | 919,372,048 shares, | As of March 31, 2011                     | 919,372,048 shares |
| 2) Number of treasury stocks at the end of period                                  |                     |  |                    |
| As of June 30, 2011  | 1,866,034 shares,   | As of March 31, 2011                     | 1,862,844 shares   |
| 3) Average number of common stocks issued during period, excluding treasury stocks |                     |  |                    |
| For the three months ended June 30, 2011   | 917,507,973 shares, | For the three months ended June 30, 2010 | 829,826,118 shares |

Note: **Implementation status of quarterly review procedures**

Although these quarterly consolidated financial results are not subject to quarterly review procedures based on the Financial Instruments and Exchange Law, the quarterly consolidated financial statement review procedures have been completed at the time of disclosure of these financial results.

Note: **Explanation of the appropriate use of performance forecasts, and other special items**

The above forecasts of future performance are based on information available to the Company at the present time and are subject to potential risks and uncertainty. Accordingly, the users should be aware that actual results may differ from any expressed future performance herein due to various factors.

## Analysis of Results of Operations

The fiscal years of DIC Corporation and its domestic subsidiaries, with the exception of one company, end on March 31, while those of its overseas subsidiaries end on December 31. Accordingly, this document presents the accounts for the three months ended June 30, 2011, of DIC and its domestic subsidiaries and for the three months ended March 31, 2011, of its overseas subsidiaries.

### (1) Overview of Operating Results

Despite the impact of the Great East Japan Earthquake on domestic operating conditions, our operating environment in the three months ended June 30, 2011, was similar to that of the corresponding period of the previous fiscal year, both in Japan and overseas, in terms of demand.

In this environment, consolidated net sales rose 1.8%, excluding the impact of foreign currency fluctuations, as increased demand for TFT LCs and other factors countered the impact of a decline in demand for printing inks and other products in Japan and overseas. However, owing to the appreciation of then yen, net sales declined 2.7%, to ¥191.5 billion.

Operating income advanced 1.3%, to ¥10.3 billion, owing to an improved product mix, among others.

Ordinary income declined 3.7%, to ¥8.9 billion, owing to such factors as foreign exchange losses.

Net income climbed 41.0%, to ¥8.5 billion, reflecting such factors as a gain on sales of subsidiaries' stocks.

(Billions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Net sales	¥196.8	<b>¥191.5</b>	-2.7%	1.8%
Operating income	10.2	<b>10.3</b>	1.3%	5.1%
Ordinary income	9.3	<b>8.9</b>	-3.7%	—
Net income	6.0	<b>8.5</b>	41.0%	—

Note: The exchange rates used to translate the results of overseas DIC Group companies for the three months ended June 30, 2011 and 2010, respectively, are as follows:

Three months ended June 30, 2011: ¥82.12/US\$1.00 (average for the three months ended March 31, 2011)

Three months ended June 30, 2010: ¥91.09/US\$1.00 (average for the three months ended March 31, 2010)

## (2) Segment Results

(Billions of yen)

	Net sales				Operating income			
	Three months ended June 30, 2010	Three months ended June 30, 2011	Change (%)	Change (%) excluding the impact of foreign currency fluctuations	Three months ended June 30, 2010	Three months ended June 30, 2011	Change (%)	Change (%) excluding the impact of foreign currency fluctuations
Printing Inks & Supplies	¥102.3	¥93.3	-8.8%	-2.4%	¥3.6	¥2.6	-26.2%	-18.6%
Neo-Graphic Arts Materials	26.5	29.2	9.8%	17.9%	0.8	3.5	4.4 times	4.3 times
Synthetic Resins	39.1	39.6	1.1%	2.2%	3.8	3.4	-11.2%	-10.9%
Chemical Solution Materials	38.5	40.0	3.9%	4.5%	2.2	1.7	-22.2%	-21.9%
Others	1.7	0.2	-86.9%	-78.0%	0.9	0.1	-85.4%	-85.0%
Corporate and Eliminations	(11.4)	(10.7)	—	—	(1.0)	(1.0)	—	—
Total	¥196.8	¥191.5	-2.7%	1.8%	¥10.2	¥10.3	1.3%	5.1%

Segment results in key markets are as follows. Year-on-year percentage changes in squared parentheses represent increases or decreases excluding the impact of foreign currency fluctuations. Interregional transactions within the Printing Inks & Supplies segment are included. Accordingly, the aggregates of regional net sales and operating income figures for the Printing Inks & Supplies segment differ from the figures presented above.

### Printing Inks & Supplies

#### Japan

Net sales	¥23.4 billion	Change	-5.2%
Operating income	¥0.7 billion	Change	-6.3%

Despite benefiting from special procurement demand for flexible packaging applications, notably beverage containers and food packaging, in the wake of the Great East Japan Earthquake, sales of gravure inks remained on a par with the three months ended June 30, 2010, owing to the impact of difficulties in procuring certain raw materials—also due to the earthquake—on production. Sales of offset inks and news inks declined, as an existing downward trend was exacerbated following the earthquake by paper shortages and the impact on production of procurement difficulties for certain raw materials.

Operating income declined, owing to the aforementioned sales results, as well as to an increase in raw materials prices, among others.

### ***The Americas and Europe***

Net sales	¥57.9 billion	Change	-12.4%	[-3.4%]
Operating income	¥0.9 billion	Change	-53.7%	[-44.3%]

Sales of publishing inks and news inks fell in both North America and Europe, a consequence of shrinking print runs for magazines and newspapers and other factors. Sales of packaging inks were relatively firm, particularly in Europe. Although sales of inks for leaflets and catalogs decreased, Central and South America saw an increase in sales, thanks to firm sales of mainstay packaging inks. As a result, segment sales were down, hampered in particular by the decrease in sales of publishing inks in North America.

Operating income was also down, despite cost reductions achieved through rationalization efforts, owing to such factors as the aforementioned sales results, coupled with higher raw materials prices.

### ***Asia and Oceania***

Net sales	¥14.3 billion	Change	6.1%	[11.2%]
Operating income	¥1.1 billion	Change	12.0%	[15.4%]

Sales increased in both the People's Republic of China (PRC) and Southeast Asia, the former bolstered by brisk sales of news inks and offset inks and the latter by firm sales of gravure inks. Sales were also up in Oceania, reflecting solid sales of offset inks and gravure inks. In India, sales of all products were up.

Segment operating income rose, supported primarily by the aforementioned sales increase.

### ***Neo-Graphic Arts Materials***

Net sales	¥29.2 billion	Change	9.8%	[17.9%]
Operating income	¥3.5 billion	Change	4.4 times	[4.3 times]

Sales of organic pigments declined, despite robust sales for use in color filters in Japan and in coatings and plastics overseas, as sales for use in inks struggled both in the domestic and overseas markets. Sales of ultraviolet (UV)-curable coatings and bonding adhesives for optical discs declined, a consequence of shrinking demand. Nonetheless, segment sales rose, reflecting a sharp increase in shipments of TFT LCs to major customers for use in LCD televisions.

The segment also reported higher operating income, owing to the increase in sales of TFT LCs and an improved product mix, among others.

### Synthetic Resins

Net sales	¥39.6 billion	Change	1.1%	[2.2%]
Operating income	¥3.4 billion	Change	-11.2%	[-10.9%]

Sales in Japan declined, as sales of resins for coatings and of plasticizers struggled, hampered by a slowdown in demand from automakers following the Great East Japan Earthquake and inventory adjustments in the electrical and electronics industries. In Asia, however, sales remained brisk in the PRC and Southeast Asia, supported by expanded demand. As a result, segment sales were up.

Operating income declined, owing to such factors as a deterioration of our product mix and an increase in raw materials prices.

### Chemical Solution Materials

Net sales	¥40.0 billion	Change	3.9%	[4.5%]
Operating income	¥1.7 billion	Change	-22.2%	[-21.9%]

The suspension of production and a decline in demand for automotive applications—both due to the Great East Japan Earthquake—pushed down sales of polyphenylene sulfide (PPS) compounds. In contrast, sales of such products as polystyrene for lightweight containers and coextruded multilayer films for food packaging advanced, largely as a consequence of special procurement demand in the wake of the Great East Japan Earthquake, supporting an increase in segment sales.

Operating income fell, primarily reflecting a deterioration of our product mix and a rise in raw materials prices.

### (3) Operating Results Forecasts for the Six Months Ending September 30, 2011 and the Fiscal Year Ending March 31, 2012

The DIC Group has partially revised its May 11, 2011, operating results forecasts as shown below.

(Billions of yen)

	Six months ended September 30, 2010	Six months ending September 30, 2011 (Forecast)	Change (%)	Fiscal year ended March 31, 2011	Fiscal year ending March 31, 2012 (Forecast)	Change (%)
Net sales	¥393.1	¥ 380.0 [¥370.0]	-3.3%	¥779.0	¥ 760.0 [¥760.0]	-2.4%
Operating income	20.8	20.0 [19.0]	-3.9%	37.2	43.0 [43.0]	15.7%
Ordinary income	18.9	16.0 [15.0]	-15.5%	31.7	35.0 [35.0]	10.4%
Net income	12.2	12.0 [9.0]	-1.9%	15.8	18.0 [18.0]	14.2%

Note: Figures in squared parentheses are the initial forecasts released on May 11, 2011

#### Reasons for the Revision of Results Forecasts

Our decision to revise our operating results forecasts for the six months ending September 30, 2011, reflects such factors as firmer demand than initially expected, particularly in Japan, and an anticipated decrease in extraordinary losses, including loss on disposal of noncurrent assets.

Given current uncertainties regarding the operating climate in the second half of the fiscal year ending March 31, 2012, we have not revised our forecasts for the full term.

#### Disclaimer Regarding Forward-Looking Statements

Statements herein, other than those of historical fact, are forward-looking statements that reflect management's projections based on information available as of the publication date. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from such statements. These risks and uncertainties include, but are not limited to, economic conditions in Japan and overseas, market trends, raw materials prices, interest rate trends, currency exchange rates, conflicts, litigations, disasters and accidents, as well as the possibility the Company will incur special losses related to the restructuring of its operations.

## Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(Assets)		
Current assets		
Cash and deposits	22,957	18,183
Notes and accounts receivable-trade	185,391	216,030
Merchandise and finished goods	66,305	75,527
Work in process	8,708	9,232
Raw materials and supplies	47,238	48,795
Other	32,495	34,651
Allowance for doubtful accounts	(8,296)	(8,121)
Total current assets	354,798	394,297
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	87,466	85,655
Machinery, equipment and vehicles, net	65,540	63,378
Tools, furniture and fixtures, net	7,744	7,419
Land	54,728	53,846
Construction in progress	5,153	6,546
Total property, plant and equipment	220,631	216,844
Intangible assets		
Goodwill	1,808	1,777
Other	10,509	10,077
Total intangible assets	12,317	11,854
Investments and other assets		
Investment securities	30,873	31,217
Other	85,640	87,740
Allowance for doubtful accounts	(499)	(530)
Total investments and other assets	116,014	118,427
Total noncurrent assets	348,962	347,125
Total assets	703,760	741,422



## Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
(Liabilities)		
Current liabilities		
Notes and accounts payable-trade	121,224	125,888
Short-term loans payable	66,457	76,671
Commercial papers	—	14,000
Current portion of bonds	5,000	10,000
Income taxes payable	3,539	4,277
Provision for bonuses	2,815	3,383
Provision for loss on disaster	2,250	2,250
Other	63,094	56,823
Total current liabilities	264,379	293,292
Noncurrent liabilities		
Bonds payable	36,000	31,000
Long-term loans payable	222,962	223,777
Provision for retirement benefits	22,135	22,752
Asset retirement obligations	1,019	990
Other	26,886	26,213
Total noncurrent liabilities	309,002	304,732
Total liabilities	573,381	598,024
(Net assets)		
Shareholders' equity		
Capital stock	91,154	91,154
Capital surplus	88,758	88,758
Retained earnings	39,475	46,137
Treasury stock	(657)	(657)
Total shareholders' equity	218,730	225,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(73)	(122)
Deferred gains or losses on hedges	(293)	(210)
Pension liabilities adjustments	(18,117)	(18,884)
Foreign currency translation adjustment	(92,499)	(85,458)
Total accumulated other comprehensive income	(110,982)	(104,674)
Minority interests	22,631	22,680
Total net assets	130,379	143,398
Total liabilities and net assets	703,760	741,422

## Consolidated Quarterly Statements of Income

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Net sales	196,806	191,504
Cost of sales	154,779	152,553
Gross profit	42,027	38,951
Selling, general and administrative expenses		
Employees' salaries and allowances	9,939	9,473
Provision of allowance for doubtful accounts	437	150
Provision for bonuses	947	1,191
Retirement benefit expenses	1,246	920
Other	19,244	16,873
Total selling, general and administrative expenses	31,813	28,607
Operating income	10,214	10,344
Non-operating income		
Interest income	191	566
Dividends income	44	37
Foreign exchange gains	273	—
Equity in earnings of affiliates	340	635
Other	641	778
Total non-operating income	1,489	2,016
Non-operating expenses		
Interest expenses	1,750	1,823
Foreign exchange losses	—	897
Other	691	718
Total non-operating expenses	2,441	3,438
Ordinary income	9,262	8,922
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	—	2,984
Gain on sales of noncurrent assets	—	237
Total extraordinary income	—	3,221
Extraordinary loss		
Severance costs	204	221
Loss on disposal of noncurrent assets	733	155
Loss on adjustment for changes of accounting standard for asset retirement obligations	692	—
Total extraordinary losses	1,629	376
Income before income taxes and minority interests	7,633	11,767
Income taxes	1,126	2,832
Income before minority interests	6,507	8,935
Minority interests in income	479	438
Net income	6,028	8,497

## Consolidated Quarterly Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2010	Three months ended June 30, 2011
Income before minority interests	6,507	8,935
Other comprehensive income		
Valuation difference on available-for-sale securities	(482)	(45)
Deferred gains or losses on hedges	(168)	82
Pension liabilities adjustments	701	(767)
Foreign currency translation adjustment	361	6,824
Share of other comprehensive income of associates accounted for using equity method	296	389
Total other comprehensive income	708	6,483
Comprehensive income	7,215	15,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,915	14,805
Comprehensive income attributable to minority interests	300	613